

JAN 24 2000

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In The Matter of)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service)

COMMENTS OF SBC COMMUNICATIONS INC.

SBC Communications Inc., on its behalf and on behalf of its subsidiaries (collectively referred to as "SBC"), respectfully recommends that the Commission postpone reconsideration of the definition of "voice grade access" until such can be appropriately reviewed in the context of the redefinition of "universal service."¹ If the Commission wishes to address this issue at this time, it must reject the attempts to expand the definition of voice grade access beyond the well-reasoned standard currently codified. The redefinition of "voice grade access" requested on the part of certain state commissions and the Rural Utilities Service (RUS) is nothing more than an attempt to expand the definition of universal service beyond voice grade. The goals of the Telecommunications Act of 1996 and the needs of consumers are best served by the continued implementation of the Commission's current universal service rules.

As noted in the Public Notice, an eligible telecommunications carrier (ETC) must offer, in addition to other services, voice grade access to the public switched network.

¹ The Commission in its Public Notice in this proceeding, released on December 22, 1999, sought comments and reply comments in response to Petitions for Reconsideration filed by the North Dakota Public Service Commission and the South Dakota Public Utilities Commission, the *Ex Parte* filed by the Rural Utilities Service and the Resolution on Definition of Voice Grade Service for Universal Service Purposes, adopted by the National Association of Regulatory Utility Commissioners, on March 18, 1998.

CC Docket No. 96-45
Comments of SBC Communications Inc.
January 19, 2000

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After a lengthy proceeding, culminating in the *Fourth Reconsideration Order*² a minimum frequency range of 300 Hz to 3,000 Hz for the bandwidth of voice grade access was established. The RUS and certain state commissions now seek a minimum frequency range of 200 Hz or 300 Hz to 3,400 Hz or 3,500 Hz. The sole reason given for broadening the bandwidth is the concern that the current requirement may not ensure that rural consumers using 28.8 kilobits per second modems to access the Internet will be able to achieve the same data transmission speeds as non-rural consumers.

The expansion proposed is not an insignificant one with little consequence for ETCs. Nor is it an issue relating only to large carriers. In fact, the adverse impact will be far greater for smaller, start-up carriers with limited resources for the result of the change being proposed would be to expand the definition of the services covered as a part of universal service. Moreover, the consequence of such action would be to impose millions of dollars in costs upon ETCs, placing a tremendous and unnecessary burden on universal service requirements. For example, recently in Wisconsin, the Public Service Commission investigated mandating a 28.8 kilobits per second modem speed throughout the state. The total cost of such an endeavor would have been approximately \$668 million. The costs which would result from the instant proposal before the FCC would greatly exceed this simple statewide estimate and be beyond any reasonable expenditure.

An obvious, additional consequence would be that fewer carriers will seek to remain or become ETCs, particularly if the limited support they receive under the federal fund is overshadowed by the costs imposed. Alternatively, these costs associated with upgrading the existing and potential ETCs' networks, if recoverable, would significantly

² Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, Fourth Order on Reconsideration, CC Docket No. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318 (1997).

impact universal service funding. In this respect, the proposal not only would fail to preserve and advance universal service, it would act in a manner contrary to this goal .

Conclusion

If the Commission believes the expansion of voice grade access should be explored, then it is an issue more appropriately addressed in the context of the review of the definition of universal service as already contemplated by the Act and the Commission. If the Commission wishes to consider this issue at this time, it should maintain its current standard.

Respectfully submitted,

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January 19, 2000

CERTIFICATE OF SERVICE

On this 19th day of January 2000, I, Mary Ann Morris, hereby certify that the Comments for SBC Communications Inc. in CC Docket No. 96-45 have been served upon the parties listed in the Service List attached to the Comments for SBC Communications, Inc.

/s/ Mary Ann Morris

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